



FORECLOSURE SETTLEMENT PROGRAM

Second Judicial
District Court

Bernalillo County

TEAM

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- Manages the strategic planning and overall operation of the Foreclosure Settlement Program.
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SETTLEMENT FACILITATION



Settlement facilitation seeks to resolve the foreclosure lawsuit before the case goes before a Judge.



The settlement facilitator helps the parties identify possible solutions that everyone can agree on.



Ultimately the decision to settle and the terms of the settlement will be determined by the parties.



The settlement facilitator cannot force either party to settle.

OBJECTIVES

- Work towards a resolution to the foreclosure lawsuit.
- Help the parties communicate in a meaningful way.
- Reduce the confusion that often accompanies the foreclosure process.



PROCESS

Your lender has filed a complaint for foreclosure with the Court alleging you are in default on your mortgage.



You should have been served with a copy of the complaint accompanied by a summons.



The Court enters an Order of Referral to the Foreclosure Settlement Program.



You should have received a copy of the Order of Referral in the mail.



The case is put on a stay.

STAY

- The stay stops litigation from moving forward until the case is removed from the program.
 - A case is removed from the program if:
 - The parties reach a settlement agreement,
 - The parties cannot reach an agreement and agree to be removed, or
 - The parties stop participating or communicating.





NEXT STEPS

- After the workshop, the program will certify that you participated and will provide you with a copy of the certificate of completion.
 - The initial telephonic status conference will be scheduled.
 - The settlement facilitator will determine where the case is in the process.
 - The settlement facilitator will schedule follow up telephonic status conferences until the parties are either ready to settle or ready to be removed from the program.
 - If the case cannot be settled through telephonic status conferences, the settlement facilitator will schedule an in-person settlement facilitation.
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IN-PERSON SETTLEMENT FACILITATION



- This is a meeting of the borrower, borrower's attorney (if they have one), lender representative, lender's attorney, and the neutral settlement facilitator.
- Other people, such as a spouse (not on the loan), family members, or housing counselor may attend with prior permission from the settlement facilitator.

LOSS MITIGATION

RETENTION (Remain in the property)

- **Reinstatement or Payoff**
 - At any point, the borrower may choose to make the loan current or pay it off completely.
- **Forbearance**
 - An agreement between the borrower and the lender or servicer to either suspend or reduce the monthly mortgage payments for a specified period of time.
- **Loan Modification**
 - Restructures the loan terms to an amount the borrower can afford. Loan modifications may involve extending the length of time on the loan, reducing the interest rate, and/or reducing the principal balance.

NON-RETENTION (Exit the property)

- **Short Sale**
 - The sale of the home for less than what is owed on the mortgage.
 - **Deed-in-lieu**
 - An arrangement where the borrower voluntarily turns over ownership of the home to the lender to avoid the foreclosure process.
 - **Judgement in Rem**
 - When the borrower stipulates to a judgement only against the property and avoids any personal liability.
 - **Cash for Keys (Relocation Assistance)**
 - When the homeowner exits the property by a certain deadline and is compensated with an agreed upon sum of money.
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APPLICATION

Complete

- You will complete a loss mitigation application.

Disclose

- The application will ask you about your income and expenses.

Sign and Date

- You will have to sign and date several forms.

Include

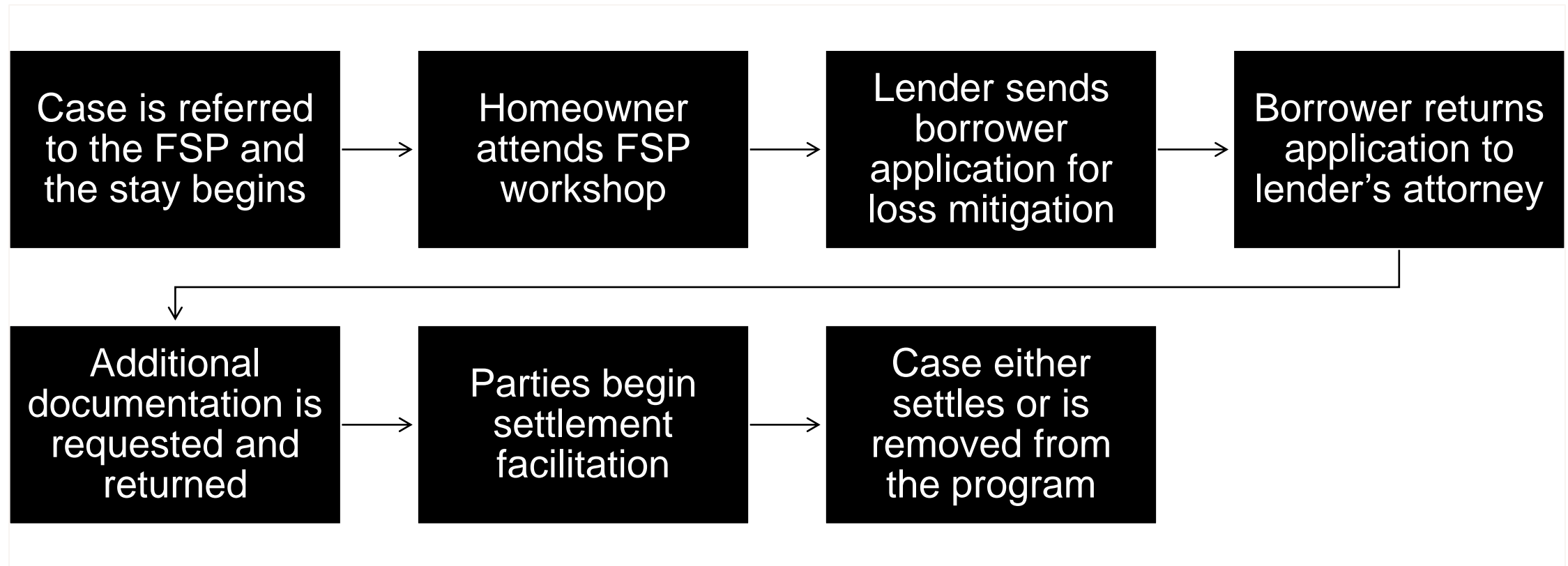
- Pay stubs
 - Bank statements
 - Social Security award letters
 - Profit and loss statements
 - Tax returns and/or a tax form called a 4506T
 - Hardship letter or affidavit explaining why you defaulted
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HOMEOWNER RESPONSIBILITIES



- If you have not received a copy of the loss mitigation application, you must contact the lender's attorney and request that one be sent to you.
- You must complete the application within thirty (30) days and return it to the lender's attorney.
- There may be additional documents requested by your lender. The lender's attorney will let you know what those additional documents are, and you must return them as quickly as possible.

TIMELINE



FIND A LAWYER

- **State Bar of New Mexico Lawyer Referral**
 - (505) 797-6066 or (800) 876-6227, option 2
- **Albuquerque Bar Association Lawyer Referral**
 - (505) 243-2615
- **Legal Resources for the Elderly Program (55+)**
 - (505) 797-6005 or (800) 876-6657





HOUSING COUNSELING & LEGAL SERVICES

- **United South Broadway Corporation (USBC)**
 - (505) 764-8867
 - <https://www.unitedsouthbroadway.org/>
 - 1500 Walter St., SE, Albuquerque, NM 87102
 - **New Mexico Legal Aid (NMLA)**
 - (833) 545-4357
 - <https://www.newmexicolegalaid.org/>
 - 505 Marquette Ave., NW, Albuquerque, NM 87102
 - **Southwest Neighborhood Housing Services**
 - (505) 243-5511
 - <https://www.nhsfalb.org/>
 - 6301 Fourth St., NW, Albuquerque, NM 87107
 - **Senior Citizens Law Office (SCLO)**
 - (505) 265-2300
 - <http://sclonm.org/>
 - 4317 Lead Ave., SE, Suite A, Albuquerque, NM 87108
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SCAMS

- Beware of:
 - Silent Partner(s) – someone who doesn't want you telling others about them.
 - Out of State Law Firms – Who want to represent you.
 - Fake Paperwork
 - High pressure tactics
 - Money offers for your deed



REPORTING



If you are not sure if an offer is legitimate, always double check before you agree to anything.

- Check with your attorney or housing counselor
- Check with the lender's attorney

To report a scam:

- New Mexico Attorney General
 - (505) 717-3500 or (844) 255-9210
- Consumer Financial Protection Bureau (CFPB)
 - (855) 411-2372

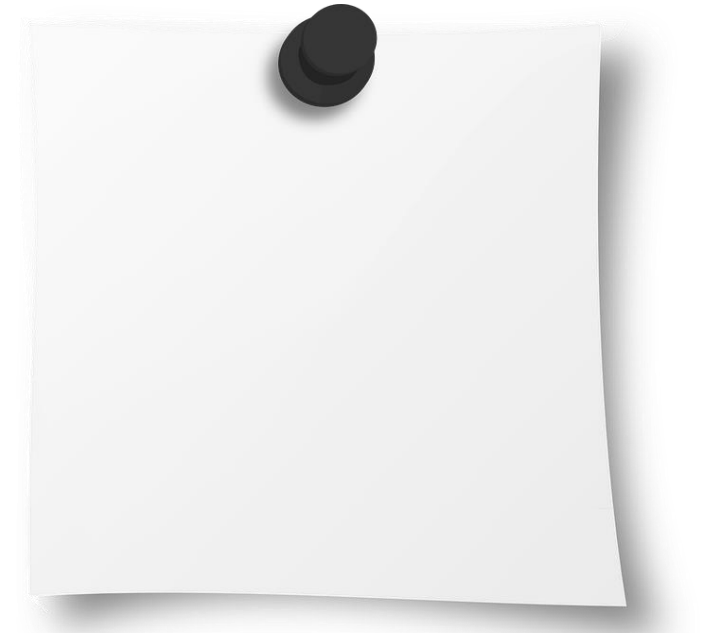


LAST STEPS

- Complete the Homeowner Information Form
 - Complete your application for loss mitigation and send it to the lender's attorney
 - Keep a copy of anything you send in for yourself
 - Prepare for your initial status conference
 - Have your paperwork ready and be prepared to talk about your foreclosure case.
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REMINDERS

- Make sure we have good contact information for you
 - E-mail that you check daily – This is the most common type of communication with the FSP
 - Current phone number(s)
 - Physical Address where you receive mail – even if its different than your foreclosed address
- We are neutral
 - We are not your attorneys; we do not represent you, we cannot advocate for you, and we cannot provide you with legal advice.
- You must be proactive
 - This is your home, and you have the most to lose.
 - The FSP is an opportunity to help you move forward.





THANK YOU